PRESTO 2011-12 Business Plan

PRESTO

A Division of METROLINX

METROLINX

AN AGENCY OF THE GOVERNMENT OF ONTARIO

MARCH 2012

Table of Contents

Message from Metrolinx President & CEO, Bruce McCuaig	3
Message from PRESTO Managing Director, Steve Zucker	3
Executive Summary	4
PRESTO 2011-12 Business Plan Summary	5
Introduction	6
PRESTO's Mandate	6
PRESTO Overview	7
PRESTO: A Key Part of the Metrolinx Transformation Agenda	7
PRESTO's Goals	8
PRESTO's Stakeholders	9
2010-11 Achievements	10
2011-12 Plan Deliverables	11
Deliver	11
Plan	13
Invest	14
Human Resources Summary	16
Performance Success Measures and Targets	16
Risk Assessment and Management	17
Communications Plan	18
Conclusion	18

Message from Metrolinx President & CEO, Bruce McCuaig

The 2010-11 year was a landmark year for PRESTO, as deployment of this ambitious program started in the Greater Toronto and Hamilton Area (GTHA). Early positive response by transit riders has established a promising outlook for the PRESTO card as expansion continues throughout the region.

This year also marked a significant milestone as PRESTO was welcomed into the Metrolinx family. PRESTO is one of the key tools in transforming transit in the GTHA as envisioned by The Big Move. PRESTO, partnering with transit service providers throughout the region and beyond, and working closely with other Metrolinx divisions such as the Air Rail Link (ARL), is moving forward with improvements to fare collection that will bring us closer to the vision of seamless travel thoughout the GTHA.

The 2011-12 business plan demonstrates the ongoing momentum of PRESTO in delivering a quality product to transit riders and service provider partners throughout the province and ensuring the evolution of PRESTO in taking advantage of the latest technological opportunities to better meet customer needs.

This is a challenging undertaking and I congratulate PRESTO on all that has been accomplished so far, and look forward to the continued progress and new opportunities that the future offers.

Bruce McCuaig
President & CEO, Metrolinx

Message from PRESTO Managing Director, Steve Zucker

With the deployment of PRESTO throughout the GTHA, the PRESTO team and its service provider and supplier partners are completing delivery of a complex program, involving significant change in all participating agencies within an aggressive timeframe. What has been accomplished to date is a remarkable achievement, a success we will leverage in ambitious plans for the future.

In the 2011-12 year, the PRESTO team will continue to bring the same commitment to the ongoing operation of the system, ensuring that our service provider clients and the thousands of transit customers who use the card every day, can rely on our services with confidence and appreciate the convenience of PRESTO fare payment.

We will continuously work to improve our operational and project delivery activities, ensuring that we apply best practices in customer service, governance, performance measurement, risk management, and project management to meet the ambitious schedule of deliverables in this business plan.

By the end of this fiscal year, PRESTO will have firmly established working partnerships with participating municipalities of the GTHA, providing the most convenient way to pay for transit trips. PRESTO will be on its way to delivering the system to OC Transpo in Ottawa, the Toronto Transit Commission (TTC) in Toronto, and the new ARL and looking ahead with plans to respond to the opportunities of the future.

We look forward to playing an increasingly important role in Metrolinx's transformation of mobility in the GTHA.

Steve Zucker
Managing Director, PRESTO
Executive Vice-President, Metrolinx

Executive Summary

This document addresses the business direction and deliverables for the 2011-12 fiscal year.

The year will be one of consolidation for the core PRESTO system, as the initial Greater Toronto and Hamilton Area (GTHA) deployment will be completed in parallel with the launch of significant new initiatives to expand the system and further develop its functional and commercial possibilities.

By the end of 2011-12, the PRESTO system will have fully deployed Phase 1 across GO Transit bus and rail services and the participating transit service provider partners, and will move towards increased operational maturity and sustainability. Ottawa's PRESTO system will be ready to go live in late spring 2012 and the agreement with the Toronto Transit Commission (TTC) for PRESTO implementation will be in place, with planning and definition of requirements underway.

PRESTO's Vision:

PRESTO will, in five years, be the preferred service for efficient and reliable transit fare payment and related services throughout Ontario, meeting or exceeding the expectations of transit riders and our service provider partners.

The year will include significant organizational and governance changes to reflect PRESTO's maturing operational functions, new projects and future strategy:

- Restructuring and expanding the organization;
- Revising governance arrangements, including stakeholder roles;
- Further developing performance measurement and reporting and
- Enhancing risk management tools.

During 2011-12, PRESTO will undertake a significant five-year strategic review, addressing the wide variety of expansion and commercial opportunities available to the system. Pending completion of this review, working goals and deliverables for the next five years are summarized in the following pages. These goals are aligned with the *Metrolinx Five Year Strategy*, and its cornerstones – to Deliver, Plan and Invest.

The success of the program will be tracked based on a suite of performance results, including the following five representative measures and targets:

PROGRAM GOAL	PERFORMANCE MEASURE	TARGET: MARCH 2012
System growth	Card uptake	150,000 cards activated
Volume of activity	Value of transactions	$15 million/month
Customer satisfaction	Surveyed customers whose expectations were met or exceeded	85%
Customer service	Calls answered within 30 seconds	80%
	First call resolution rate	80%
System availability and incident response	Station Fare Transaction Processor availability	99.8%

PRESTO 2011-12 Business Plan Summary

Five-Year Goal	2011-12 Deliverables
DELIVER	
Establish and sustain reliable, convenient and innovative e-fare collection operations.	1. Ensure reliable, convenient, and innovative e-fare collection operations for service providers and an excellent customer experience for transit riders.
Deliver new PRESTO deployments on time, on budget and meeting defined service requirements.	2. Complete deployment on GO Transit and the seven other GTHA transit agencies in the 905 area. 3. Deliver next generation PRESTO to OC Transpo for implementation. 4. Complete an agreement with the TTC for deployment of PRESTO throughout the system by 2015, and begin collaboration on planning and requirements definition. 5. Determine PRESTO implementation requirements and complete planning for delivery for the Air Rail Link (ARL) and Eglinton-Scarborough Crosstown.
Responsively provide data and related analytic tools to service providers and partners in support of their planning and decision-making needs.	6. Ensure service providers and partners are receiving timely, complete, and useable data and reporting to meet defined requirements. 7. Continue development of an information management plan to deliver better tools to provide Metrolinx, client agencies and partners with better data analysis tools to support decision-making.
PLAN	
Maintain a PRESTO five-year strategy to guide system expansion, enhancement, and development of new products and service models.	8. Complete a five-year strategy to define the vision for PRESTO.
Maintain a technology roadmap to guide system response to emerging technological opportunities, manage risks associated with rapid change and ensure the system remains technologically current.	9. Develop an Enterprise Architecture and Technology Roadmap.
Develop a rolling five-year pro forma operating and capital forecast.	10. Develop a revenue model that offsets as much of the system operating cost as possible, while maintaining PRESTO's operating objectives.
INVEST	
Ensure an operating model that supports the successful evolution of the PRESTO system and delivers stakeholder satisfaction, by means of organizational capability, stakeholder involvement and supplier structures.	11. Develop the organization to be most effective in delivering the PRESTO program. 12. Develop and obtain approval for a revised governance model for PRESTO. 13. Substantially complete transition to a thin integrator model.
Leverage the PRESTO system to promote ease of transit use in the GTHA, supporting coordinated fare structures and consistent business arrangements as policy and agreements are developed.	14. Participate in and support initiatives to increase inter-municipal transferability for all customers.
Expand the PRESTO system to serve transit service providers and customers throughout Ontario as guided by the PRESTO Five Year Strategy, leveraging the investment in the central system and services.	15. Identify additional Ontario transit agencies for future PRESTO expansion, with an initial focus on agencies that connect with GO Transit services.
Ensure that the system stays current and responsive to business needs, customer expectations and the technological environment.	16. Continue development of the next generation core system, including initial elements in the OC Transpo system.
Investigate commercial opportunities, including revenue generation initiatives, to strengthen and complement the core PRESTO product.	17. Monitor partnership and revenue generating opportunities, and begin investigating selected initiatives that enhance early realization of PRESTO's mission and vision.

Introduction

PRESTO's 2011-12 Business Plan sets out a path for the organization:

- Providing a guide to PRESTO's core activities, growth, and future business directions.
- Defining the objectives and deliverables for the 2011-2012 fiscal year.
- Outlines governance and business requirements to support the achievement of PRESTO's objectives and alignment with Metrolinx direction.

This plan was developed by the Metrolinx Policy, Planning and Innovation unit in consultation with PRESTO management, Metrolinx management and transit service providers. It has been approved by the PRESTO Managing Director, Metrolinx Executive Group, the PRESTO Executive Client Committee (general managers of all participating transit service providers), the Ministry of Transportation and the Metrolinx Board of Directors.

PRESTO's Mandate

PRESTO is an operating division of Metrolinx, an agency of the Government of Ontario. PRESTO fulfills one of the legislated responsibilities of Metrolinx to "plan, design, develop, acquire…a unified fare system" applicable to GO Transit, the local transit systems in the GTHA, and any local transportation systems of municipalities outside the GTHA that agree to participate (Section 7.1 of the Metrolinx Act, 2006).

PRESTO's vision and mission were updated in October 2011:

Vision: PRESTO will, in five years, be the preferred source of efficient and reliable transit fare payment and related services throughout Ontario, meeting or exceeding the expectations of transit riders and service provider partners.

Mission: to provide transit electronic fare (e-fare) payment and related information management systems that deliver excellent customer service while enabling progressive fare policies, sound decision making and efficient operations for Ontario transit agencies.

Values: PRESTO's values are aligned with those of Metrolinx: Commitment, Service, Working Together and Innovation.

Metrolinx Corporate Values

Commitment: We will take action with high energy and commitment reflecting the importance of our work. We will hold ourselves accountable for our decisions and our commitments to the communities we serve. We will strive for an environment where we are fully engaged and take initiative.

Service: We will consistently put our work in the context of the people and the public purpose we serve. We will anticipate, understand and continuously exceed our customers' expectations. We will place the needs of our customers, stakeholders and communities at the centre of decision-making throughout the organization.

Working Together: As a group of individuals, we will work together in a spirit of trust and respect to achieve our shared vision. We will actively seek opportunities to collaborate both internally and externally. Internally, we will work across organizational units to achieve our common goals. If our work supports internal customers, we will work to meet and exceed their expectations. Externally, we will be recognized by our stakeholders as strong partners.

Innovation: We will encourage creativity, innovation and informed risk-taking to achieve personal growth and organizational success. We will create an environment that engages all employees and brings about our full potential. Through mentoring and training, we will develop the leadership capabilities in us all. We will resolve complexity to provide an 'easy' experience to customers, and embrace innovation to achieve our mission.

PRESTO Overview

PRESTO provides a managed e-fare service that handles fare payment on any participating transit system using a single microchip-based farecard. Fares and related policies are established by each participating service provider. PRESTO collects and delivers each agency's revenue and reporting through a single central clearinghouse. The system is able to provide discounts to customers transferring between service providers and allocate the revenue to the appropriate agencies based on an agreed- upon formula.

PRESTO farecards offer fare payment options as defined by the participating service providers. The primary fare payment option is a common stored value 'e-purse', from which individual fare payments can be deducted. Loyalty programs can be created to provide discounts that increase with the number of trips a customer takes each month. The card can also be used as a monthly or concession pass for specific service providers.

Farecards can be registered by transit customers, which provides a number of benefits. The customer can obtain a refund for any remaining balance on the card if it is lost or stolen. Funds can be loaded on the card on-line, avoiding station line-ups. If the customer desires, the registered card can be automatically re-loaded with funds from the customer's bank account when the stored value falls below a defined level. Over 60% of customers register their card.

Beginning in 2002, development of the PRESTO system has been undertaken by the Province of Ontario in collaboration with the GTHA 905 transit systems and GO Transit. After a competitive procurement process, the contract for system delivery was awarded to Accenture in October 2006. Accenture serves as the systems integrator/contractor charged with full responsibility for the turnkey system including system development, operation, financial management, and central customer service functions.

PRESTO: A Key Part of the Metrolinx Transformation Agenda

The Big Move

Seamless fare payment is an important tool for achieving *The Big Move* objective of seamless transit travel throughout the region. The PRESTO system was developed with the objective of providing a common fare payment mechanism that can be used on all transit systems in the region. Travelers would be able to use the PRESTO system to pay for their travel on transit systems throughout the region, without needing to know each jurisdiction's fare requirements or to purchase and carry separate tickets or passes, or use cash for payment on each system.

Metrolinx Five Year Strategy

The PRESTO program is a prominent part of the *Metrolinx Five Year Strategy*, which guides corporate activities in implementing *The Big Move*. By 2016, as envisioned in this corporate *Strategy*:

> "PRESTO will be fully deployed across the GTHA and expanded to other Ontario municipal transit systems. Expansion of the PRESTO card beyond transit fare collection, including commercial partnerships, will be in place."

PRESTO is an important example of Metrolinx' leadership in transforming transportation options in the GTHA region, as outlined in the *Metrolinx Five Year Strategy*. Metrolinx will have:

- "Established active working groups to improve service quality and seamlessness…to a consistent standard across the region."
- "Demonstrated the value of our projects to residents in the region."
- "Developed a reputation as, "a strong collaborator, a trustworthy partner and a good neighbour."
- "Built on our expertise to enhance our reputation…as a pre-eminent leader in delivering, planning, and investing in transportation."

More specifically, PRESTO is a key element of Metrolinx's overall five - year objective for fare collection in the GTHA region, as presented in the 2016 objectives (see text box).

PRESTO's Goals

PRESTO's strategic goals and annual business plan are structured to be consistent with the three cornerstones to success from the *Metrolinx Five Year Strategy*:

- Deliver
- Plan
- Invest

Deliver

- Establish and sustain reliable, convenient and innovative e-fare collection operations.
- Deliver new PRESTO deployments on time, on budget and meeting defined service requirements.
- Responsively provide data and related analytic tools to service providers and partners in support of their planning and decision-making needs.

Plan

- Maintain a PRESTO Five-Year Strategy to guide system expansion, enhancement, and development of new products and service models.
- Maintain a technology roadmap to guide system response to emerging technological opportunities, manage risks associated with rapid change, and ensure the system remains technologically current.
- Develop a rolling five-year pro forma operating and capital forecast.

Metrolinx 2016 objective:

We will deliver an integrated **regional fare collection system** with full implementation of PRESTO, in use in all GTHA municipalities and expanded to OC Transpo in Ottawa.

- We will phase out paper ten-ride and monthly passes on GO Transit by 2013.
- **PRESTO Next Generation** will be implemented with even more functionality, including accommodation for new fare structures, fare integration, loyalty programs and partnerships with public and private partners to offer more services such as bike-sharing and parking.
- We will have evaluated and taken steps to implement **new fare structures**, including off-peak fares and new approaches to managing parking costs within the overall system.
- Where missing, we will establish and facilitate **fare integration agreements** with and among Mississauga MiWay, the TTC and York Region Transit to facilitate seamless cross-border travel at key opportunities in new projects being delivered within the next five years.

Invest

- Ensure an operating model that supports the successful evolution of the PRESTO system and delivers stakeholder satisfaction, by means of organizational capability, stakeholder involvement and supplier structures.
- Leverage the PRESTO system to promote ease of transit use in the GTHA, supporting coordinated fare structures and consistent business arrangements as policy and agreements are developed.
- Expand the PRESTO system to serve transit service providers and customers throughout Ontario as guided by the *PRESTO Five Year Strategy*, leveraging the investment in the central system and services.
- Ensure that the system stays current and responsive to business needs, customer expectations and the technological environment.
- Develop commercial opportunities, including revenue generation initiatives, to strengthen and complement the core PRESTO product.

PRESTO's Stakeholders

PRESTO, as a provider of revenue collection services to transit agencies throughout the province, relies on close partnerships with third parties for the effectiveness and success of the system:

Ontario Government

As the primary shareholder of the PRESTO system, the Province's ongoing support for PRESTO and the policy objective that it fulfills is essential to the farecard's success. While the province is less directly involved in the project delivery than in the past, ongoing commitment to funding for the development and operation of the system will continue to be required as the system builds public acceptance and expands to new communities and services.

Transit Service Providers

Transit service providers, currently eight municipal agencies and GO Transit, are PRESTO's direct customers relying on the system for accurate, customer-friendly and secure revenue collection and reliable ridership and revenue data. The PRESTO system must respond to the business needs of a wide range of transit operators, of varying size and technological sophistication and with differing fare policies.

Transit service providers govern the PRESTO program through the Executive Client Committee. The committee is chaired by the CEO and President of Metrolinx and includes the general managers of all participating service providers.

Transit Customers

The public experiences the PRESTO system as an integral part of their travel while using the services of transit service provider partners. While transit customers are indirect customers of PRESTO, the success of the system ultimately lies with their experience of, and high level of satisfaction with, the system. PRESTO must work with the transit service providers to ensure that the system is easy for customers to understand, convenient to use and reliable.

Employees

PRESTO's employees provide coordination, expertise and continuity for a complex program that is being developed, implemented and operated by a large number of external suppliers and stakeholders. PRESTO employees are exposed to ongoing change as it evolves from a project to an operating program, new agencies become involved, and as the organization is integrated into Metrolinx.

Metrolinx

PRESTO operates in the Metrolinx corporate environment, and is served by Metrolinx corporate functions including procurement and contracting, human resources and finance. The GO Transit and ARL divisions are transit service provider clients of PRESTO services within the Metrolinx umbrella.

Business Partners

The PRESTO fare collection system has been designed and built, and is being operated under a ten-year contract with Accenture, the prime contractor. Subcontractors provide significant elements of the system including the farecards (Giesecke & Devrient), system software and devices (Thales, Scheidt and Bachmann), device deployment (The Plan Group), servers (Hewlett Packard), the network (Telus) and hosting and system and operating software (Microsoft). Other contractors provide technology and support, and consulting advice (Deloitte, Price Waterhouse Coopers), and are essential to complement the skills and capacity available from PRESTO's in-house staff. The success of the system depends on the effectiveness of the many vendors involved and the effective partnerships between them.

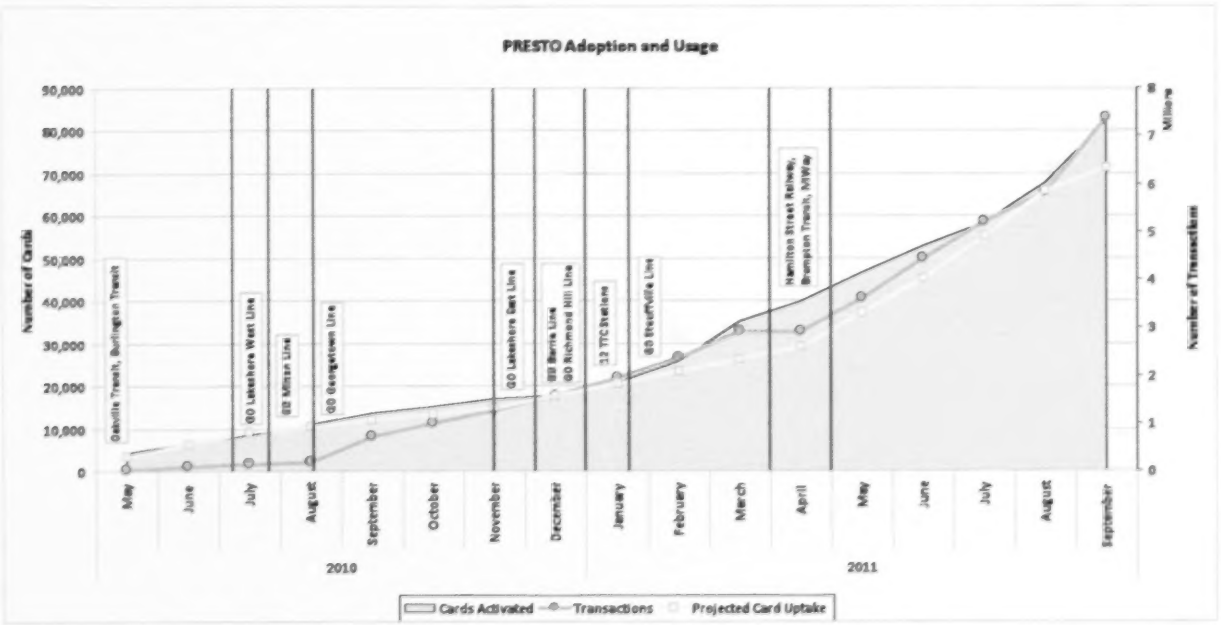
2010-11 Achievements

During the 2010-11 fiscal year, the PRESTO card was launched in revenue service. The new system included an established PRESTO brand; central systems to support customer transactions and manage revenue streams for service providers; PRESTO sales channels; and customer services provided through the call centre. In May 2010, the card was introduced to customers using the Lakeshore West GO Train line and connecting Oakville Transit and Burlington Transit services, followed by travellers on the other municipal transit systems in the western part of the GTHA. By the end of the 2010-11 year, the card was available on all GO Train lines, and installation substantially completed on participating municipal transit systems. PRESTO equipment was also installed as a pilot in 12 key TTC subway stations frequently used by customers transferring to or from GO Transit or other municipal transit systems.

In 2007, the City of Ottawa and PRESTO agreed to implement the farecard on OC Transpo. Design and development continued through 2010-11 with an April 2012 target for implementation.

Development of PRESTO Next Generation (open architecture) began in 2010-11, responding to service provider partners' requirements, enhancing transit customer choices and services and continuing evolution as technology advances.

In March 2011, PRESTO began transitioning from a project of the Ontario Ministry of Transportation to an operating division of Metrolinx.



2011-12 Plan Deliverables

The GTHA continues to grow. More trips and longer trips involving multiple transit services have together increased the importance of a common fare payment system.

The Provincial Growth Plan, *The Big Move* and municipal initiatives support an ongoing effort to increase the convenience and attractiveness of transit as an alternative to the single occupant vehicle. This means delivering a complete end-to-end transit product, that includes accessory functions such as transit service information and fare collection.

Fare payment technologies are evolving rapidly, including increased availability of stored value cards and open payment using credit cards, and of mobile device-based payment systems. Transit fare payment must evolve to reflect current consumer payment methods.

Deliver

1. Ensure reliable, convenient, and innovative e-fare collection operations for service providers and an excellent customer experience for transit riders.

With the completion of the GTHA PRESTO system roll-out in 2011-12, our primary focus will be on consolidating the system to consistently deliver the required level of service and addressing outstanding concerns.

In 2011-12 we will:

- Enhance and stabilize operations to ensure that the system meets the needs and expectations of the traveling public and achieves service levels required by the contract with the system integrator.
- Continue the maturation of PRESTO's organizational capacity to sustain efficient and reliable service to transit partners and respond to service issues effectively.
- Continue to enhance the system to increase the ease of use and convenience of PRESTO to transit riders.
- Ensure timely delivery of accurate and complete reports to meet services providers' standard reporting and reconciliation requirements.
- Continue to enhance accessibility of PRESTO equipment through consultations with accessibility special interest groups, and compliance with Accessibility for Ontarians with Disabilities Act requirements.
- Support municipalities and ensure that customer satisfaction remains high during the transition as older forms of payment are retired and the volume of PRESTO cards in circulation increases.

2. Complete deployment on GO Transit and the seven other GTHA transit agency agencies in the 905 area.

The PRESTO farecard system grew from a conceptual agreement among the transit agencies of the GTHA, led by GO Transit, to implement a common farecard system. The first phase of PRESTO development, includes deployment of the system on in these systems: GO Transit, Hamilton Street Railway, Burlington Transit, Oakville Transit, Miway (Mississauga), Brampton Transit, York Region Transit, Durham Region Transit and at 12 selected TTC stations.

In 2011-12 we will:

- Complete deployment and introduce PRESTO service at GO Transit Train stations and on GO Buses and on municipal transit systems in Hamilton, Mississauga, Brampton, York Region and Durham Region.
- Complete deployment of equipment to agencies that sell GO Transit fares by end of March 2012.
- Assist GO Transit in building capability for fare refunds to GO Transit customers.
- Extend the TTC pilot, adding PRESTO fare collection at the York Mills and Yorkdale TTC stations.
- Complete installation of over 5,000 PRESTO devices on nearly 2,000 buses, at 61 GO stations, 130 Bus Rapid Transit stations and 12 subway stations.

3. Deliver PRESTO to OC Transpo for implementation.

In December 2007, the City of Ottawa approved participation in PRESTO and related funding of deployment on the city's transit system, OC Transpo. The Ottawa PRESTO system will introduce a number of changes, including new device suppliers and open payments using debit and credit cards. Particular attention will be needed on this deployment as it is outside the GTHA.

In 2011-12 we will:

- Deliver the initial release of PRESTO Next Generation and implement the Ottawa system starting in April 2012.

4. Complete a agreement with the TTC for deployment of PRESTO throughout the system by 2015, and begin collaboration on planning and requirements definition.

Implementation of PRESTO on the TTC will provide GTHA PRESTO cardholders with access to all public transit services in the GTHA.

In 2011-12 we will:

- Complete an agreement with the TTC for deployment of PRESTO throughout their system including the Eglinton-Scarborough Crosstown LRT.
- Begin collaboration to establish TTC requirements.
- Kick-off the three-year project to implement PRESTO on the TTC, establishing a work plan and a preliminary development and deployment plan.
- Reach agreement on an operating model for PRESTO that meets Metrolinx conditions and TTC's customer, business and financial needs.

5. Determine PRESTO implementation requirements for the ARL and complete planning for delivery.

The ARL will provide a premium, high-speed train service between Pearson International Airport and downtown Toronto. It is a separate operating division of Metrolinx, and will be a distinct service, with its own fare structure, operating style and requirements. The ARL will begin service in early 2015, in preparation for the July 2015 PanAm/ParaPan games.

In 2011-12 we will:

- Determine the fare collection strategy to be implemented through PRESTO, and begin planning for system development and delivery.

6. Ensure service providers and partners are receiving timely, complete, and useable data and reports to meet defined requirements.

Transit service providers and transportation planners rely on fare collection data for ridership estimation and a variety of planning and operational analysis. One of the benefits of the PRESTO system is that it provides a rich source of data on trips taken using the PRESTO card. This information is critical for ongoing service provider operations and has the potential for additional decision-making support. Establishing a smooth flow of data from transit system devices through the central system and back to the transit system is an important element of the maturing operation.

In 2011-12 we will:

- Complete delivery of the data download and related reporting.
- Validate the quality of reporting activities.

7. Continue development of an information management plan to provide Metrolinx, client agencies and partners with better data analysis tools to support decision-making.

The PRESTO system provides a wealth of information on ridership, travel patterns and card use which has previously not been available. The applications of this information for business decision-making by transit service providers are now being explored. Tools that allow service providers to extract and analyse this data for a range of business needs will be an important benefit of the system.

In 2011-12 we will:

- Continue development of processes and information management tools to provide convenient access to the data and analysis by transit service providers.

Plan

8. Complete a five-year strategy to define the vision for PRESTO.

As the PRESTO system becomes more established and enters an operational phase, many concepts have been brought forward for new developments such as open payments, additional applications of the payment card and alternative business models. In this dynamic technological field, it is essential to ensure there is a clear long-term strategy focusing the organization's cost-effective development on selected beneficial and feasible objectives. The strategy addresses questions such as: what expansion opportunities exist within and outside Ontario; which businesses and commercial opportunities PRESTO should pursue; and what products PRESTO should offer. The strategy will prioritize these activities and develop financial models and business cases.

In 2011-12 we will:

- Complete a five-year strategy defining the desired PRESTO product, providing specific targets, and addressing future alternative applications, service delivery models and business approaches.

9. Develop an Enterprise Architecture and Technology Roadmap.

PRESTO is a complex technological system, including many integrated elements: the cards, devices, and the payment, administrative and operational core modules. Significant new functions are associated with the Ottawa and Toronto PRESTO releases, and the GTHA installation will be upgraded. Future enhancements to PRESTO include the periodic updating of cards, open architecture, multiple supplier sourcing of components, and introduction of both open and mobile payments. Coordination is essential to ensure that PRESTO operates reliably, while undergoing these extensive changes. The objective is to have all transit provider partners on the same software platform by 2013, enabling them to offer open payments when they choose to do so.

In 2011-12 we will:

- Develop an enterprise architecture and technology roadmap guiding the system's technological evolution.

10. Develop a revenue model that offsets as much of the system operating cost as possible, while maintaining PRESTO's operating objectives.

In the first phase of PRESTO implementation, the participating service providers acquired the equipment required for their operations. PRESTO must continue to upgrade these installed systems to maintain reliable operations and deliver a current, responsive, and consistent product. Alternative business models will be needed that support the ongoing upgrading and evolution of all elements of the system as well as system operations.

In 2011-12 we will:

- Investigate alternative business models for system delivery to achieve a sustainable product.

11. Develop the organization to be most effective in delivering the PRESTO program.

The PRESTO organization must evolve to reflect the changing needs of the PRESTO program. The transition to PRESTO's new position as an operating division of Metrolinx involves cultural change and requires integration and partnerships with other parts of the organization to ensure success. The functions associated with the sustained operation of the system continue to mature. Significant projects in Ottawa and at the TTC will require enhancing the PRESTO organization and its future capabilities.

In 2011-12 we will:

- Establish PRESTO as an effective business unit within the Metrolinx organization, leveraging Metrolinx functions and resources, and fostering close collaboration between staff in PRESTO and other Metrolinx business units.
- Continue the maturation and evolution of the PRESTO organization to support sustained, effective operation of the system and meet established performance targets.
- Ensure the organization can effectively deliver multiple parallel development projects on time, on budget and to specification, including those not located in the GTHA.

12. Develop and obtain approval for a revised governance model for PRESTO.

The PRESTO project has a long history as a collaborative venture between the Province of Ontario, Metrolinx, GO Transit and the municipal transit service providers in the region. A review of the project governance is required to consider adjustments needed by the transfer of PRESTO from the Province to Metrolinx, the transition from a development program to an ongoing operational business division, and the addition of new service providers to PRESTO.

In 2011-12 we will:

- Develop and obtain approval for a revised governance model, and develop supporting processes for the new structure, including a risk management framework, controls and full audit compliance.

13. Substantially complete transition to a thin integrator model.

During system development, the system integrator (Accenture) retains accountability for the delivery by holding responsibility for all contributing vendor contracts. With the initial GTHA PRESTO system deployed and moving to a steady operational state, it is appropriate for PRESTO to take more direct responsibility for vendor services and contract management. This allows for increased strategic flexibility to modify vendor services and develop new supply channels while reducing the administrative complexity and costs associated with management of vendors through the system integrator. Accenture will continue to manage the day-to-day production operations, future development and coordination of service delivery by contributing vendors. As PRESTO moves to the thin integrator model, other functions will be transferred from Accenture's responsibility to PRESTO's.

In 2011-12 we will:

- Lay the groundwork for transition to a thin integrator model, including developing the technology roadmap, the administrative systems operation and future release development and implementation.

14. Participate in and support initiatives to increase inter-municipal transferability for all customers.

A significant objective of the PRESTO program is to provide a platform for fare transferability throughout the GTHA region, ensuring customers have a consistent payment experience wherever they travel on public transit across the GTHA. PRESTO currently implements the fare policies such as concession categories, transfer arrangements and fare levels determined by each participating service provider. With PRESTO implemented in the GTHA, the system can be used to implement policies for improvements throughout the region, as determined by the service providers in consultation with Metrolinx.

In 2011-12 we will:

- Participate in and support service provider activities toward offering a simplified, consistent fare payment experience for transit travel across the GTHA.

15. Identify additional Ontario transit agencies for future expansion, with an initial focus on agencies that connect with GO Transit services.

As PRESTO matures into a successful service provider to current client agencies, it can be expanded to additional municipalities. The PRESTO system offers particular benefits to transit systems in the Province that connect to other systems.

In 2011-12 we will:

- Establish communications with transit agencies across Ontario to introduce PRESTO.

16. Continue development of the next generation core system, including initial elements in the OC Transpo system.

Enhancements to the PRESTO system to meet new customer needs and technological opportunities have already begun. The next generation will address evolving fare payment technologies (including open payments using credit and debit cards, and mobile device-based payments), a more open architecture to accommodate new component suppliers and applications, additional features for increased ease of use by people with disabilities and increased functionality as identified by customers.

In 2011-12 we will:

- Begin deployment of the next generation features in Ottawa including online pass sales, open payment proof-of-concept, improved customer web services and a new farecard type.
- Continue development of additional elements for implementation including mobile payment, open payment deployment, online fare policy management and corporate accounts.

17. Monitor partnership and revenue generating opportunities, and begin investigating selected initiatives that enhance early realization of PRESTO's mission and vision.

PRESTO provides the opportunity for an expanded vision of services to stakeholders, transit service provider partners and the public. Potential avenues of expansion include payment functions for other transportation-related services, retail services or municipal services, use of the card for identification purposes, branding of the card by a third-party and commercial partnerships with other financial institutions.

In 2011-12 we will:

- Explore the viability of selected initiatives that would support PRESTO objectives, while sustaining operational excellence and delivery commitments to current and new transit system clients.

Human Resources Summary

As PRESTO matures into a sustainable operating organization, its structure will change to reflect new functional capacities. The 2011-12 Business Plan includes initiatives that will have a significant impact on the PRESTO organization.

By the end of the fiscal year, the PRESTO organization will consist of 6 divisions:

- Product and Technology Strategies
- Major Project Management
- Solution Development
- Operations and Deployment
- Finance
- Client Management and Business Development

Additional staff will be required to take on new responsibilities associated with the transition to the thin integrator model (reducing Accenture involvement and providing a more cost-efficient operating model), the expansion of the system to new service providers, and the pursuit of additional product opportunities.

Performance Success Measures and Targets

During the development and deployment of the system, PRESTO's performance measures have focused on program delivery indicators, such as adherence to scope, schedule and budget, and change management. As the organization moves to operational mode in 2011-12, new measures will be introduced to monitor key aspects of the service including client and customer satisfaction, system reliability, card uptake, audit compliance and risk management.

Performance measurement addresses PRESTO performance in four general areas:

- Customer service
- Customer satisfaction
- System availability and incident response
- System growth and volume of activity

A comprehensive service level agreement (SLA) between Accenture and PRESTO defines a suite of performance measures that address Accenture's contracted responsibilities for customer service, incident response and system availability in detail. These metrics are regularly reviewed and modified to improve service and reflect service provider requirements. The agreement includes financial penalties for failure to achieve the SLA targets. The volume of activity and SLA performance measures are reported monthly.

Customer service measures include call rate per unique card used, call answer time, rate of calls abandoned and analyses of the topics of calls.

Customer satisfaction was measured in March 2011 through an online survey and two public meetings. Customer satisfaction is assessed through customer satisfaction surveys, call centre statistics and complaint tracking. Customer satisfaction will continually be measured and tracked.

System availability and incidence response measures include availability by system components, number of incidents, number of open/pending incidents, incidents by system area and service provider, rate of incidents per installed device, incidents resolved within service target times and actions required to address any deviations.

System growth and volume of activity is tracked monthly, including the number of cards activated, the number and value of transactions, and number of e-purse loads.

Risk Assessment and Management

Risk assessment and management are particularly important functions due to the dynamic nature of PRESTO's activities. Risks are reviewed monthly by the PRESTO team and compiled in a quarterly report, which is incorporated in the Metrolinx Risk Management Process. The report is provided to the Executive Client Committee; Metrolinx Risk Management and Internal Audit teams; Metrolinx Executive Group; the Metrolinx Chief Financial Officer; and the Audit, Finance, and Risk Management Committee of the Metrolinx Board. Several operating committees representing PRESTO and the service providers also track relevant risks:

- Operations Committee
- Audit Committee
- Business Committee

PRESTO has identified key risks that may compromise its objectives including:

- **Service provider fare complexity** – The multitude and complexity of service provider fare system requirements must be managed and maintained sustainably.
- **Management of subcontractors** – Performance of numerous subcontractors to the System Integrator is required to meet service level targets.
- **Infrastructure life** – Existing infrastructure will need to be replaced when maintenance is not sustainable.
- **Resources for project delivery** – Significant staff and contractor resources will be required to effectively deliver the OC Transpo, TTC, and PRESTO Next Generation projects.
- **Operational impacts of multiple projects** – Development and deployment of inter-related Ottawa, TTC and PRESTO Next Generation projects must be carefully tested and managed to prevent impacts on the PRESTO operation, its customers and client service providers.
- **TTC requirement definition** – Timely agreement with the TTC on system business requirements will be required to maintain the three year project delivery schedule.

Communications Plan

Brand Development and Recognition

The PRESTO brand should be distinctive and memorable, and evoke positive associations in the minds of those that encounter it. A crucial aspect in the building and maintenance of a brand is the consistency with which it is represented. As the PRESTO system continues to gain attention, it is important to promote PRESTO in a strong, unified and consistent manner. Strong brand awareness can relate directly to brand association with those products and company characteristics that buyers appreciate, in particular, quality, consistency and service.

In an effort to increase our brand awareness, in 2011 – 12 PRESTO will be implementing several marketing initiatives with the goal of enhancing awareness and consideration among transit riders and increasing card uptake. PRESTO will continue to develop materials that can be used by participating transit providers to provide a consistent look and feel through a mixture of existing low cost media and additional purchased media. Other initiatives will encourage customers to adopt and use the PRESTO card.

Media Communications

As PRESTO card uptake grows, the system is expanded to Ottawa and eventually TTC, and other services are offered, it is essential to continue building and maintaining positive media relations and earn media coverage that positively communicates the importance and benefits of the PRESTO system. Through building effective relationships with journalists and strategically targeting the audience and publications, the PRESTO team will proactively seek out opportunities for positive media stories.

It is also necessary for PRESTO to be prepared for media attention by detecting and responding appropriately to emerging trends or changes in the socio-political environment or issues related to PRESTO operations such as service outages. An issues management procedure is in place to anticipate and respond to issues, and respond to shifting stakeholder expectations and perceptions likely to have important consequences for PRESTO/Metrolinx.

Conclusion

The 2011-12 fiscal year will be a time of ongoing change and maturation for the PRESTO program as it is now a fully operational division of Metrolinx. The completion of the GTHA roll-out will be followed by greater rider adoption as traditional fare media are retired. Meanwhile, significant new projects are underway to deliver PRESTO to OC Transpo and the TTC, and to stay technologically current with PRESTO Next Generation. This will all be taking place as the mobile payment landscape is evolving, customers are demanding more choices and new technology is offered for self-service kiosks and enhanced websites.

The focus on objectives that has driven PRESTO's successful initial roll-out will be required to ensure the success of these continuing operational and developmental changes.